

**Veterans Services Foundation
Meeting Minutes
September 30, 2004**

A meeting of the Veterans Services Foundation (VSF) was held on Thursday, September 30, 2004, at the offices of the American Legion Department of Virginia in Richmond.

Members Present

Lydia Dudley; Margaret Eure; Leroy Gross; John Hanson; Frank Louthan; Jon Mangis; and Raymond Smoot.

Members Absent

John Anderson and Frederic Leigh.

Others Present

Sheryl Bailey, Deputy Secretary of Administration; C. L. "Bert" Boyd, Chief Deputy Commissioner, Virginia Department of Veterans Services; Steven Combs, Assistant to the Commissioner, Virginia Department of Veterans Services; Traci Dempsey, Financial Assistant, Virginia Department of Veterans Services; Mel Drisko, Vice Chairman, Board of Veterans Services; Rhonda Earman, General Administration Supervisor, Virginia Department of Veterans Services; Don Ferguson, Office of the Attorney General; and Bonnie Giese, Administrative Services Manager, Virginia Department of Veterans Services.

Materials Distributed

Meeting Agenda; Minutes of the February 11, 2004, and May 11, 2004, meetings; Draft Bylaws; VSF Balance Sheet and Donation Designations; Joint Leadership Council of Veterans Service Organizations' Legislative Agenda; and VSF membership roster.

Call to Order

With a quorum of 5 of 9 members present, Chairman John Hanson called the meeting to order at 11:35 a.m. Ms. Eure and Mr. Louthan arrived later, bringing the number of members present to 7 of 9.

Approval of Minutes

A **motion** was made, seconded and passed unanimously to adopt the minutes of the February 11, 2004, and May 11, 2004, meetings.

Bylaws

The Trustees then reviewed the draft Bylaws, and the following items were discussed:

Article IV.2 – what is the state agency designated by the Secretary of Administration to provide the Foundation with administrative and other services? It was determined that the Department of Veterans Services (DVS) is that agency.

Suggested Addition – It was noted that Va. Code § 2.2-2454(9) states that one of the duties of the Board of Veterans Services (BVS) is to “provide recommendations to the Department of Veterans Services and the Veterans Services Foundation created in § 2.2-2715 regarding gifts, grants, and other resources from public and private entities and organizations to support veterans services.” Leroy Gross suggested that, since both the VSF and the BVS meet only quarterly, a component should be added to the Bylaws to make it possible for these bodies to confer telephonically in the interim. Don Ferguson added that if more than two individuals confer, it would constitute a public meeting and, therefore would need to be announced publicly with formal minutes taken. Mr. Ferguson said that the Commissioner, however, could poll the Trustees and BVS members individually for their wishes on any particular funding request.

Article VIII.2 – it was noted that disbursements from the VSF Trust Fund are transferred to the Virginia Treasury without being taxed. If the disbursements are for items expended by the state, they are exempt from state sales tax. The question was raised as to who would generate a letter to private donors acknowledging their tax-exempt donations. Don Ferguson promised to research this issue, discuss with DVS staff and get back with the Trustees at their next meeting. It was suggested that the Commonwealth’s Federal Tax Identification Number could be used for this purpose. There was consensus among the Trustees that such a letter should be generated and signed by the Chairman of the VSF.

Article VIII.4 – Jon Mangis noted that several monetary donations had been made to the Virginia Veterans Care Center (VVCC), and that those funds were on deposit in the Veterans Services Trust Fund. He said that a donor had given \$3,000 for the purchase of a Clavinova for the VVCC, and was incensed that it had not yet been purchased. At present, only the Trustees may approve expenditures from the Veterans Services Fund, and then only at their quarterly meeting. Commissioner Mangis pointed out that Article VIII.4 provided a mechanism to approve an expenditure, up to \$10,000, of those funds that had been donated for a specific purpose.

Because of some of the questions raised on the Bylaws, a **motion** was made, seconded and passed unanimously to table the vote on the Bylaws until the next meeting, until the Attorney General’s Office can review and provide input on them. In the interim, a second **motion** was made, seconded, and passed unanimously to authorize the Commissioner of Veterans Services, after consultation with the VSF Chair, to approve expenditures for which specific donations had been made, up to \$10,000.

Comments from the Chairs

Mel Drisko, Vice Chair of the BVS, provided the BVS Chair’s report in John Anderson’s absence. Mr. Drisko reported that the BVS had met on September 27 and received reports from each of its subcommittees.

The BVS Cemeteries sub-committee reported that the Suffolk Cemetery is on track to be dedicated November 1, as planned.

The BVS Care Centers sub-committee reported that the VVCC has received funding approval from the United States Department of Veterans Affairs (USDVA) and the Commonwealth for a \$1.5 million renovation project. Construction of the new Richmond Care Center will begin in early 2005 and is expected to be completed in September or October of 2006.

The BVS Benefits sub-committee reported that over the last eight to nine years the DVS Benefits Section had experienced significant budget reductions, resulting in an approximate 50% decrease in claims officer positions. The BVS voted to make increasing the number of service officers across the state its number one priority and to advocate for any DVS budget requests to support an increase in funding for these positions. Mr. Mangis added that because budget information is considered part of the Governor's confidential working papers, he could not discuss the FY 2006 DVS budget request, but that the Governor's budget will become available to state legislators in late October, and to the public on December 17.

Dr. Bailey said that the Governor welcomes the partnership of all of the veterans services boards and councils and that the deficiencies in the benefits area had been identified during the Governor's Advisory Commission process. Dr. Bailey emphasized that benefits support is a good way to reach veterans individually, and she said that the Governor currently is reviewing the DVS budget request.

Mr. Drisko stated that Connie O'Neill, Chairman of the Joint Leadership Council of Veterans Services Organizations (JLC), distributed copies of the JLC's 2005 Legislative Agenda at the September 27 BVS meeting. Mr. Drisko emphasized that the JLC represents a large voter contingency and that its member organizations are working hard to advocate at the grassroots level for veterans programs and funding.

Mr. Hanson began his report by saying that there is a public misperception that support of veterans programs is strictly a federal issue and emphasized the importance of state services to veterans. Mr. Hanson said that one of the functions of the VSF is to raise funds and identify existing revenue sources to support veterans programs and services across the state. He recognized the expense involved with soliciting donations and asked whether DVS conducts any mail outreach for donations. Commissioner Mangis responded that information on making private donations is not yet on the DVS website, but is something that should be added. He also stated that no money has been allocated in the budget to do mass mailings. Mr. Mangis said that at present, DVS does not solicit donations from the veterans service organizations (VSOs), either through a letter to the VSO commanders or through VSO newsletters. Thus far, all solicitations have been done only on a local level, mostly through the VVCC. Mr. Boyd added that a structure needs to be developed for DVS to receive private donations. Mr. Smoot raised the question as to whether DVS is competing with VSOs for private donations, and John Hanson said he would be consulting with Connie O'Neill on that issue.

Mr. Drisko emphasized the importance of getting the word out as to how donations may be made and asked if it would be feasible to have an appropriation from the Veterans Services Fund to support the expense of advertising. Dr. Bailey added that the VSF was modeled after the

Virginia Fine Arts Foundation and that someone from that organization might be able to provide insight in developing a mechanism to solicit and accept private donations.

Margaret Eure noted that at the February 11 meeting, there was discussion about whether the VSF qualified for 501(c)(3) status, which would provide a vehicle for accepting tax exempt donations, and that such an application was to have been made by DVS to the IRS. Ms. Eure asked whether the VVCC's Carnival (an event for VVCC residents) expenses had been paid, and Commissioner Mangis responded that they had.

Ms. Eure also noted that the Bylaws were to have been reviewed by the Attorney General's office prior to being voted on at this meeting, and she urged the VSF to reconsider adopting the Bylaws today to avoid further delays in making expenditures from the Veterans Services Trust Fund. Mr. Ferguson pointed out while he had not had time to fully review the Bylaws, he had noted that Article III.6 allows for election of officers by secret ballot. He said that this conflicts with Virginia's open meeting policy, and suggested it be stricken. Upon **motion** of Margaret Eure, seconded, and passed with Dr. Gross dissenting, the Bylaws were adopted as written, subject to the removal of any references to the election of officers by secret ballot and with the understanding that prior to the next meeting of the Foundation, Mr. Ferguson will review the adopted Bylaws, and if he has any suggestions, the Bylaws could be amended at the next meeting.

The question was then raised about funds from sales of veterans license plate tags. Steven Combs explained that to purchase these special tags, a person must prove that they are a member of one of the VSOs and then pays an administrative fee (the "plate fee") over and above the cost of the plate. The plate fee is used by the DMV to produce the special plate, and DVS does not receive any portion of the license plate fee. It was suggested that the veterans plates should be modeled after other revenue sharing plates, with a portion going to the DMV and the remainder going to support the organization for which the plate was designed to raise awareness. Mr. Combs added that the DMV would be favorable to such a plate to support veterans services, but that at least 250 plates must be ordered in advance of production. Commissioner Mangis agreed to investigate this matter further and report to the Trustees at their next meeting.

Commissioner's Update

Commissioner Mangis reported that Rhonda Earman recently had joined DVS and is responsible for the administrative functions of his office. He also said that Bonnie Giese, DVS Administrative Services Manager, was available to answer any questions the Trustees might have about donations, expenditures and balances in the Veterans Services Trust Fund. Mr. Mangis thanked the VSF for their vote authorizing him to make expenditures from the Trust Fund to purchase the specific items for which individual donations had been made.

Commissioner Mangis also reported that, despite some wet weather delays, the Suffolk Cemetery is on track to be dedicated November 1, and said that all of the VSF Trustees will receive an invitation to the dedication ceremony.

Commissioner Mangis said that DVS recently had received USDVA approval for the Roanoke Care Center renovation project, and the Richmond Care Center construction project, 65% of which will be funded by the USDVA, and 35% by the Commonwealth. Commissioner Mangis noted that a team from the Department of General Services is managing both the Roanoke and Richmond care center projects and is working with private partners to ensure completion, on time and within budget.

Commissioner Mangis noted that the Richmond Care Center will be built on land donated by the USDVA adjacent to the McGuire Medical Center, and that S. B. Ballard Construction Company will manage the construction. The Care Center originally was to have 240 beds, but because of rising construction costs, the domiciliary beds were reduced by 40. Although the construction of the Richmond Care Center has been funded, any future needs such as equipment and family support expenses have not been. Commissioner Mangis asked for guidance from the Trustees for ways to secure donations for those items. Margaret Eure asked whether thank-you letters for donations would be sent from the Commissioner, and he assured her that they would.

Commissioner Mangis appealed to the members of the Foundation for help in developing a fundraising campaign, stating that it was their advice, experience, and expertise that was needed to build a successful fundraising campaign. He said that because the Trustees were busy people and did not have time to get into the nuts and bolts of a campaign, DVS would do the legwork by knocking on the doors of prospective donors. The Department just needs to be told how and where to knock. Commissioner Mangis also said it would be helpful if the Trustees could open doors by contacting prospective donors.

New Business

Dr. Gross asked whether liability bonding for Trustees had been obtained. Mr. Ferguson responded that only individuals who handle money need to be bonded and recommended that the VSF consult with the Department of Accounts on proper money management procedures. Mr. Ferguson noted that any private fundraiser would need to be bonded.

Public Comments

There were no public comments.

Next Meeting

The next meeting of the VSF was scheduled for November 17, 2004, 11:30 a.m., at the American Legion Department of Virginia in Richmond.

Adjournment

There being no further business, the meeting was adjourned at 1:30 p.m.